

County of Placer, California
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2004

Amounts reported for governmental activities in the statement of activities (Pages 18-19) are different because:

Net change in fund balances - total governmental funds (Page 25)	\$	19,320,436
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		21,175,709
Donated capital assets	(11,025,210)	
Depreciation expense	(11,032,639)	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		8,865,045
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from capital lease financing		(1,041,663)
Debt principal payments	1,963,815	

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		5,561,081
Accrued interest payable	10,608	

Internal service funds are used by management to charge the costs of telecommunications, countywide technology projects, fleet, reprographics, mail, records management, self insurance and dental and vision insurance. The net expense of certain activities of the County Services and Self Insurance Internal Service Funds are reported with governmental activities.

1,540,110

Change in net assets of governmental activities (Page 19)	\$	<u>35,337,292</u>
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The notes to the financial statements are an integral part of this statement.